



JOINT CIRCULAR

STATE OF NEW JERSEY

DEPARTMENT OF THE TREASURY

NO: 07-14-OMB/OIT	ORIGINATING AGENCIES: Office of Management and Budget Office of Information Technology	PAGE 1 OF 2
EFFECTIVE DATE: 1/15/2007	EXPIRATION DATE: Indefinite	SUPERSEDES: 07-12-OMB/OIT
SUBJECT: Moratorium on Procurements of Information Technology (IT) Hardware, Software and Related Services		
ATTENTION: All Directors of Administration, Agency Procurement Managers, Chief Fiscal Officers, Agency IT Managers		
FOR INFORMATION CONTACT: Ronald W. Stewart, OIT Gary J. Brune, OMB		PHONE: (609) 633-8862 PHONE: (609) 984-5234

The purchase of all Information Technology (IT) hardware, software and related services are subject to the review and prior approval by the Office of Information Technology (OIT) as described below:

I. PURPOSE:

- A. The procurement of IT hardware, software and related services, including maintenance of hardware and software licensing, consultant services for studies, programming development, maintenance, installation and configuration, training, reference materials, cabling & wiring, telecommunications and data communications equipment and services, leased data lines, and all other consulting services.

This includes Line of Credit (LOC) Acquisitions for new purchases (see Circular Letter No. 04-09-ADM/OMB--Line of Credit Program), as well as, the issuance of 3rd party grants or agreements that contain IT components that are planned for ultimate use by the issuing department as referenced above for the purposes of the Statewide Moratorium imposed by Executive Order #42. Specifically, while the non-IT component of such grants may proceed, there shall be no further IT-related purchases from those grants or agreements that are planned for the department's use without the approval of OIT.

- B. Continuation payments for maintenance, rental and lease/purchase of installed IT hardware, software, and related service, under the imposed moratorium.

II. POLICY:

- All Information Technology purchasing greater than \$2,500 is subject to a moratorium until further notice. Exceptions may be granted in the following instances, if approved by OIT:
 - When dedicated or non-state funds are providing significant or sole funding for the initiative and the project/initiative conforms to OIT's standards and policies.
 - When the project/initiative is ongoing and the discontinuance of such funding would cause great loss of investment or increase future costs.

- When the IT purchase is related to a program that is mandated by the federal government, state law, or a court order.
- When equipment or software is demonstrated as failing and without approval, mission critical business functions would be impacted or halted.
- Procurement requests not greater than \$2,500 are exempt provided the items being purchased are for emergency maintenance, repairs, and supplies. This threshold should not be used as justification to purchase hardware and software that is part of a normal replacement cycle or to circumvent the spirit and intent of the IT moratorium.
- OIT is exempt from this moratorium and will oversee all aspects of IT spending during this moratorium, under current purchasing and budgetary statutes and guidelines.
- OIT may conduct periodic audits to ensure that agencies are operating within the guidelines and boundaries set by this circular letter.
- All exceptions not described herein are to be submitted to OIT for review.
- Submissions allowed under this circular do not preclude compliance with Circular 07-06-DPP/OIT-Procurements of Information Technology Hardware, Software and Related Services; and Circular 98-14-OMB/OTS Professional Services: Review, Control, Monitoring and Extensions and will be subject to prescribed review and approvals.
- This applies to all contract, non-contract, and Direct Purchase Authority (DPA) purchases as well as Intergovernmental payments.
- OIT is directed to place special scrutiny on any IT procurements related to infrastructure and data center refurbishment, expansion or the planning and building of new data centers. This is directed to promote consolidation of network and data centers wherever possible and practical.
- All efforts will be made to process most common requests within three weeks from the time of receipt at OIT.

III. Exemption Process

All exemption requests outlined above, including the cases that are not specifically identified, will be forwarded to OIT for review and approval. If approved by OIT and in cases requiring OMB funding review, OIT will forward the request to OMB for approval. This includes but is not limited to the use of state funded appropriations including Direct State Services, Capital accounts, Grants in Aid, and State Aid.

This does not supersede the previous directive on the existing hiring freeze, which governs the spending of IT-related salaries.

With the exception of DPA, and excluding purchases made by departments exercising separate purchase authority, the Purchase Bureau will be responsible to ensure that no IT-related purchases as defined herein are processed without the approval of OIT and if applicable OMB.